

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

In re:

DANTRA HEALTHCARE, INC., et al.,¹

Debtors.

Chapter 11
Case No. 13-35419-KLP
Jointly Administered

**INTERIM ORDER GRANTING MOTION OF THE DEBTORS
PURSUANT TO 11 U.S.C. §§ 105, 351, AND 363 FOR ENTRY
OF AN ORDER AUTHORIZING THE WINDING DOWN OF
THE KING GEORGE MEDICAL CENTER, LTD., AND RELATED RELIEF**

Upon consideration of the Motion (the “Motion”)² of DANTRA Healthcare, Inc. and its affiliates, the above-captioned Debtors and Debtors-in-Possession (collectively, the “Debtors”), for entry of an Order pursuant to sections 105 and 363 of Title 11 of the United States Code (the “Bankruptcy Code”) authorizing the Debtors to wind down the business of King George Medical Center, Ltd. (“King George”), as more fully set out in the Motion; the Motion being a core proceeding pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Motion having been provided to the necessary parties; and it appearing that no other or further notice need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties-in-interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and the Court having found that the winding down of the King George business (a) constitutes an exercise of sound business judgment by the Debtors, (b) is appropriate and necessary under the

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number include: DANTRA Healthcare, Inc. (8010); S. A. Medical of Virginia, Inc. (7167); King George Medical Center, Ltd. (6801); and Southpointe OBGYN, LLC (5938). The location of the Debtors’ service address is: 125 Olde Greenwich Dr, Ste 160 Fredericksburg, Virginia 22408.

² Capitalized terms used but not defined herein shall have the meanings set forth in the Motion.

circumstances, and (c) is warranted and permissible under section 363 of the Bankruptcy Code; and after due deliberation and sufficient cause appearing therefor,

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** on an interim basis.
2. Pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, the Debtors are hereby authorized to wind down the operations and affairs of King George in accordance with the Practice Closure Plan, attached to the Motion as **Exhibit D**, attached hereto as **Exhibit 1**, and approved by the Court at the hearing on October 7, 2013.
3. The Proposed Notice to Patients, attached to the Motion as **Exhibit B**, is deemed good and sufficient notice of the closure of King George.
4. The Debtors may retain patient records in the manner specified by section 351 of the Bankruptcy Code. After retaining the records for 365 days, the Debtors may then destroy any remaining patient records in accordance with section 351 of the Bankruptcy Code.
5. A Final Hearing on the Motion shall be held on November 7, 2013, at 10:00 A.M. (prevailing Eastern time), before the Honorable Keith L. Phillips, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Eastern District of Virginia, Fifth Floor, Courtroom 5100, 701 East Broad Street, Richmond, Virginia 23219.
6. The Debtors shall provide notice of the entry of this Interim Order, and certify service of same, to (i) the Office of the United States Trustee for the Eastern District of Virginia; (ii) the entities listed on the Debtors' lists of creditors holding the twenty largest unsecured claims; (iii) the Debtors' Lenders and their representatives (namely, Robert M. Marino, counsel for Virginia Partners Bank; Michael R. Newby, counsel for Mary Washington Healthcare; and David Belman, Vice President/Business Banking for Stellar One Bank); (iv) known counsel for the Debtors'

secured and/or unsecured creditors; (v) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (vi) certain governmental entities. The Court finds that this proposed service is good and sufficient notice.

7. Any party wishing to object to the relief granted herein being granted on a permanent basis shall file such objection with the Court, together with proof of service thereof, and serve upon: (i) proposed counsel for the Debtors; (ii) counsel for any official committee of unsecured creditors that may be appointed in these cases; and (iii) the Office of the United States Trustee, so as to be received no later than October 31, 2013, at 5:00 P.M. (prevailing Eastern Time) (the “Objection Deadline”). If no objections are filed and served on or before the Objection Deadline, at the Final Hearing, the Court may enter a Final Order on the Motion.

8. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon entry of this Interim Order.

9. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the interpretation and/or implementation of this Interim Order.

Dated: Oct 10 2013
Richmond, Virginia

/s/ Keith L. Phillips
United States Bankruptcy Judge

Entered on Docket: Oct 11 2013

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We ask for this:

/s/ Robert S. Westermann
Robert S. Westermann (VSB No. 43294)
Rachel A. Greenleaf (VSB No. 83938)
HIRSCHLER FLEISCHER, P.C.
The Edgeworth Building
2100 East Cary Street
Post Office Box 500
Richmond, Virginia 23218-0500
Telephone: (804) 771-9500
Facsimile: (804) 644-0957
E-mail: rwestermann@hf-law.com
rgreenleaf@hf-law.com

*Proposed Counsel for the Debtors
and Debtors-In-Possession*

Seen and Not Objected To:

/s/ Robert B. Van Arsdale
Robert B. Van Arsdale (VSB No. 17483)
Office of the United States Trustee
701 East Broad Street
Suite 4304
Richmond, Virginia 23219
Telephone: (804) 771-2310
Facsimile: (804) 771-2330

Assistant U.S. Trustee

**CERTIFICATE OF ENDORSEMENT
UNDER LOCAL BANKRUPTCY RULE 9022-1(C)**

I hereby certify, under Local Rule 9022-1, that the foregoing proposed Order has been endorsed by and/or served upon all necessary parties.

/s/ Robert S. Westermann

Counsel

EXHIBIT 1

Practice Closure Plan



PRACTICE CLOSURE PLAN

All dates are approximate and may be subject to change should any currently unknown issues should arise.

DATE	ACTION
October 7, 2013	Filing of Chapter 11
October 7 – 11	Prepare staff and resources for processes of handling patient chart transfer requests, medication refill requests, and other pending patient testing results.
October 11, 2013	Advise Mary Washington Healthcare, Spotsylvania Regional Medical Center, The Medical Society of Virginia, King George County Board of Supervisor, and Department of Fire/EMS of pending practice closures.
October 14, 2013	INFORM PATIENTS OF PENDING PRACTICE CLOSURES (Mail Patient Letter / Medical Records Transfer Request. Begin run of notice of practice closure/patient chart requests in The Free-Lance Star. Post signage at each practice location advising the same. Begin filling patient medical records transfer requests.
October 18, 2013	Urgent Care Services – Last day of seeing / treating urgent care patients.
October 21 – 23, 2013	Ensure provider completion of all medical chart entries and order results.
October 25, 2013	Lay off appropriate urgent care medical staff and ancillary staff while retaining appropriate urgent care ancillary staff to assist in performance of patient chart transfers for all practices.
October 26, 2013	Transfer Digital X-Ray Equipment.
November 1, 2013	Vacate urgent care space and turn over to Landlord emptied and cleaned. Turn off of utilities and have phone number forwarded to the pediatrics practice location.
November 15, 2013	Adult and Pediatric Primary Care Services – last day of seeing/treating patients.
November 21, 2013	Transfer medical records custodianship to S.A. Medical of Virginia to continue to fulfill patient requests for chart transfers or copies of charts.
November 18- 20, 2013	Ensure provider completion of all medical chart entries and order results
December 2, 2013	Insure all vaccines, toxoids, pharmaceutical samples are properly returned or destroyed in accordance with regulations.

DATE	ACTION
December 2-5, 2013	Vacate pediatric space and adult primary care space. Forward all phone lines to S.A. Medical of Virginia.
December 2, 2013	Run notice in The Free –Lance Star advising that all practices are closed and information on how to obtain copies of medical charts.

Certificate of Notice Page 8 of 8
United States Bankruptcy Court
Eastern District of Virginia

In re:
DANTRA Healthcare, Inc.
Debtor

Case No. 13-35419-KLP
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0422-7

User: manleyc
Form ID: pdford9

Page 1 of 1
Total Noticed: 2

Date Rcvd: Oct 11, 2013

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Oct 13, 2013.

db +DANTRA Healthcare, Inc., 125 Olde Greenwich Drive, Suite 160, Fredericksburg, VA 22408-4005

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center. smg +E-mail/Text: ustpreion04.rh.ecf@usdoj.gov Oct 12 2013 02:01:09 UST smg Richmond,

Office of the U. S. Trustee, 701 East Broad St., Suite 4304, Richmond, VA 23219-1849
TOTAL: 1

***** BYPASSED RECIPIENTS *****

NONE.

TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Oct 13, 2013

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on October 11, 2013 at the address(es) listed below:

Judy A. Robbins USTPRegion04.RH.ECF@usdoj.gov

Robert S. Westermann on behalf of Debtor Southpointe OBGYN, LLC rwestermann@hf-law.com, rmcburney@hf-law.com

Robert S. Westermann on behalf of Debtor S. A. Medical of Virginia, Inc. rwestermann@hf-law.com, rmcburney@hf-law.com

Robert S. Westermann on behalf of Debtor DANTRA Healthcare, Inc. rwestermann@hf-law.com, rmcburney@hf-law.com

Robert S. Westermann on behalf of Debtor King George Medical Center, Ltd rwestermann@hf-law.com, rmcburney@hf-law.com

TOTAL: 5